



STATE BOARD OF EQUALIZATION  
PROPERTY AND SPECIAL TAXES DEPARTMENT  
450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064  
916 445-4982 • FAX 916 323-8765  
www.boe.ca.gov

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First District, San Francisco

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January 13, 2004

TO COUNTY ASSESSORS,  
COUNTY COUNSELS, AND  
OTHER INTERESTED PARTIES:

TIMOTHY W. BOYER  
Interim Executive Director  
No. 2004/004

CALIFORNIA CODE OF REGULATIONS  
TITLE 18, PUBLIC REVENUES  
RULES OF PRACTICE  
ARTICLE 6. PROPERTY TAX WELFARE EXEMPTION  
CLAIM REVIEW PROCEDURE

The State Board of Equalization, pursuant to its authority in Government Code Section 15606, subdivision (c), proposes to amend the Rules of Practice, Division 2 of the Title 18 California Code of Regulations, Article 6 – Property Tax Welfare Exemption Claim Review Procedure. The proposed amendment of Rules 5060, 5061, 5062, 5063, and 5064 is necessary to implement the statutory amendments to the Welfare and Veterans' Organization Exemptions law enacted by Senate Bill 1062 (Stats. of 2003, Chapter 471), effective January 1, 2004.

We invite you to participate in the process of updating the Rules of Practice. If you have comments about the proposed amendments, or would like to propose additional amendments, please submit your alternative rule language by February 13, 2004, to Ms. Ladeena Ford in the Property and Special Taxes Department. You may email your submissions to [ladeena.ford@boe.ca.gov](mailto:ladeena.ford@boe.ca.gov).

The project is tentatively scheduled to proceed as follows:

- February 13, 2004: Deadline for interested parties to submit alternative text.
- March 2004: Staff to post a copy of a matrix summarizing proposed changes to the draft language to the Board's Web site.
- April 2004: Staff to meet with interested parties to discuss proposed changes.
- June 2004: Property Tax Committee to hear presentations on any unresolved issues regarding the wording of the rules.

If you have any questions regarding the amendments to these Rules of Practice, please contact Ms. Ladeena Ford at (916) 324-5839.

Sincerely,

/s/ David J. Gau  
David J. Gau  
Deputy Director  
Property and Special Taxes Department

DJG:sk  
Enclosure

**RULES OF PRACTICE**  
**of the**  
**STATE BOARD OF EQUALIZATION**

California Code of Regulations  
Title 18, Public Revenues  
Division 2. State Board of Equalization  
Chapter 10. Petition and Hearing Procedures

**ARTICLE 6. PROPERTY TAX WELFARE EXEMPTION CLAIM REVIEW PROCEDURE.**

**5060. DEFINITIONS; BOARD HEARING PROCEDURES; APPLICATION.**

(a) The definitions in Article 7, Regulation 5070 shall apply to this Article, and Board hearings on petitions filed pursuant to this Article shall be conducted pursuant to the hearing procedures set forth in Article 7, commencing with Regulation 5070.

(b) The provisions of this section shall apply to property tax welfare exemption clearance certificate claims received by the Board pursuant to Section 254.5-6 of the Revenue and Taxation Code.

*Note:* Authority: Section 15606(a), Government Code.  
Reference: Sections ~~254.5~~ 254.6 and 270, Revenue and Taxation Code.

*History:* 1. New article 6 and section adopted 8-31-95; effective 1-1-96.  
2. Change without regulatory effect amending article heading and section filed 3-19-98.

**5061. SUPPLEMENTARY MATERIAL; APPLICATION FOR ADDITIONAL TIME TO SUBMIT SUPPLEMENTARY MATERIAL.**

(a) Where, after analysis of a claim, Board Staff determines that the requirements of Section 214 ~~and following through Section 214.14, inclusive,~~ of the Revenue and Taxation Code have not been met, ~~for any one of the following reasons will be,~~ indicated on the Board's ~~annual welfare exemption clearance certificate~~ finding sheet to the claimant:

~~— (1) Fund Raising Purposes (Coded - F.R.P.);~~

(~~2~~1) Religious Aspect Not Apparent (Coded - R.N.A.);

(2) Hospital Aspect Not Apparent (Coded – H.N.A.)

(3) Scientific Aspect Not Apparent (Coded – S.N.A.)

~~— (3) Not Exclusively Used (Coded - N.E.U.);~~

(4) Charitable Aspect Not Apparent (Coded - C.N.A.);

~~— (5) Vacant, Unused Property (Coded - V.U.P.);~~

(5) Management Authority of nonprofit managing general partner Not Apparent (Coded – M.G.P.)

a A preliminary notice shall accompany the finding sheet ~~information~~ sent to the claimant informing that the claimant that it has 30 days from the date of the notice to submit supplementary material supporting the claim.

(b) Upon written application filed within the noticed time limit, the claimant shall be granted an additional 30 days to submit the material.

*Note:* Authority: Section 15606(a), Government Code.  
Reference: Sections 214, 214.01, 214.02, 214.05, 214.1, 214.2, 214.3, 214.4, 214.5, 214.6, 214.7, 214.8, 214.9, 214.10, 214.11, 214.13, 214.14, ~~254.5~~ 254.6 and 270, Revenue and Taxation Code.

*History:* 1. New section adopted 8-31-95; effective 1-1-96.  
2. Change without regulatory effect amending subsection (a) and Note filed 3-19-98.

## **5062. PETITION TIME LIMIT.**

Upon receipt of supplementary material, the ~~Board staff exemption officer~~ shall conduct a complete review of the claim. A final notice informing the claimant that the supplementary material provides or does not provide a basis for changing the original finding shall be issued. A no-change notice shall advise the claimant that it has ~~30-60~~ days from the date of the notice to petition the Board for hearing on the claim.

*Note:* Authority: Section 15606(a), Government Code.  
Reference: Sections ~~254.5~~ 254.6 and 270, Revenue and Taxation Code.

*History:* 1. New section adopted 8-31-95; effective 1-1-96.  
2. Change without regulatory effect amending section filed 3-19-98.

## **5063. HEARING PETITION: CONTENTS.**

(a) The petition for hearing shall be in writing and addressed to the Chief, of Board Proceedings ~~Division~~. It shall state all of the grounds upon which qualification is claimed, and shall include all documents the petitioner wishes the Board to consider in deciding the petition. The parties to the hearing or proceeding shall be the Board Staff and the petitioner. The parties may agree in writing to submit the matter to the board for a decision without a hearing. The petition shall indicate whether an oral hearing is desired, and if so, ~~claimant's~~ petitioner's estimate of the time necessary therefor. If requested in the petition, ~~and in the event that the Board shall grants a hearing and hears the matter, the Board shall issue written findings and decision.~~ The petition shall be signed by an authorized representative of the ~~claimant's~~ petitioner and shall be mailed to the Chief, of Board Proceedings ~~Division~~ of the State Board of Equalization at Sacramento, California, or shall be deposited personally at the ~~headquarters office of the Board's headquarters office in at~~ Sacramento. The Chief, of Board Proceedings ~~Division~~ may require the representative to demonstrate the representative's authority to represent the ~~claimant's~~ petitioner.

(b) No later than 30 days after the date that the petition for hearing is received pursuant to subdivision (a), the Board Attorney assigned to the case shall schedule a meeting or telephone conference, at a time suitable for the petitioner and the assessor, for the purpose of establishing the agreed upon and contested facts and the legal issues under consideration.

(c) The Board Staff shall submit an analysis of the petition, related documents and a staff recommendation for Board Action no later than 30 days prior to the date set for hearing or other action on the petition. The analysis and recommendation shall be submitted to the Chief, of Board Proceedings ~~Division~~ and a copy shall be sent to the petitioner.

(d) The petitioner may file a written response to the staff analysis and recommendation no later than 15 days before the date set for hearing or other action on the petition. The response shall be submitted to the Chief, of Board Proceedings ~~Division~~.

(e) The provisions of subdivisions (b) of Regulation 5075 shall apply to materials submitted pursuant to (a), (c) or (d) of this regulation.

(f) The Board Staff shall also prepare a summary for Board hearing, which shall be a neutral statement of the relevant facts, the issues, and the positions of the department and the ~~claimant~~ petitioner. The summary for Board hearing shall not be written by any staff person or persons who reviewed the claim and determined it should be denied, or who participated in the preparation of the staff analysis and recommendation.

(g) ~~The Chief, Board Proceedings Division shall distribute the petition and related documents, the staff analysis and recommendation, the petitioner's response, if any, and the summary for Board hearing to the Board, the petitioner and the staff at the time agenda materials are distributed for the Board meeting at which the petition is to be considered.~~

~~(h) A reasonable extension of time for filing materials under (c) or (d) above may be granted by the Chief, Board Proceedings Division, upon a showing of reasonable cause. The Chief of Board Proceedings, upon a showing of reasonable cause, may grant a reasonable extension of time for filing materials under (c) or (d) above. The request for an extension of time shall be submitted in writing before the scheduled due date of any materials.~~

(i) The petition and related documents, the staff analysis and recommendation and related documents, and the petitioner's response to the staff analysis and recommendation shall be the only documents accepted for filing and distribution prior to a scheduled hearing. ~~Any other documents received shall be returned by the Chief, Board Proceedings Division. The Board Proceedings Division shall return any other documents received to the person submitting the documents.~~

(j) The provisions of Regulation 5081.2 shall apply regarding the Board's issuance of written findings and decision.

*Note:* Authority: Section 15606(a), Government Code.  
Reference: Sections ~~254.5~~ 254.6 and 270, Revenue and Taxation Code.

*History:* 1. New section adopted 8-31-95; effective 1-1-96.  
2. Amendment adding subsection (a) designator, amending newly designated subsection (a), and adding new subsections (b)-(h) 11-19-97; effective 4-8-98.  
3. New subsection (b), subsection relettering, and amendment of newly designated subsections (e) and (h) 3-8-01; effective 7-6-01.

#### **5064. ORAL HEARINGS; WAIVER.**

The Board shall schedule an oral hearing on a Welfare Exemption petition. The petitioner shall receive 60 days notice of the hearing date and time, and the procedures shall be governed by Article 7. Oral hearing may be waived by the taxpayer and the matter submitted for decision on the basis of the written petition.

*Note:* Authority: Section 15606(a), Government Code.  
Reference: Section ~~254.5~~ 254.6, Revenue and Taxation Code.

*History:* 1. New section adopted 11-19-97; effective 4-8-98.  
2. Amendment of section 7-29-99; effective 10-31-99.